



# ADP's TCS Compliance Project

## Frequently Asked Questions

November 8, 2006

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The California Department of Alcohol and Drug Programs (ADP) has created this list of Frequently Asked Questions (FAQs) in support of the Transaction and Codes Sets (TCS) HIPAA compliance project. These FAQs address common questions and concerns of Drug Medi-Cal (DMC) trading partners. The FAQs will continue to be updated with new information as the TCS project progresses.

### 1. What TCS Compliance work remains to be done?

ADP has three areas of TCS compliance that remain...

- ❖ ***Compliant Claim Status Inquiry & Response (276/277)*** – since ADP is a “health plan” and currently supports non-compliant status inquiries (e.g. phone calls), ADP is required to implement this standard transaction set.
- ❖ ***Compliant Remittance Advice (835)*** – although ADP has implemented an existing 835, a compliant 835 requires additional payment and warrant information that is not on the current 835.
- ❖ ***NPI Compliant Transactions*** – in addition to the 276/277 and 835 transactions, ADP must also bring the claim transaction (837) into compliance with National Provider Identifier (NPI) requirements.

### 2. What is the 276/277 Transaction?

A health care claim status transaction is the transmission of either of the following:

- ❖ An inquiry to determine the status of a health care claim (the ANSI X12 276)
- ❖ A response about the status of a health care claim (the ANSI X12 277)

### 3. When does ADP expect to have these TCS compliance areas in operation?

ADP is developing the companion guide for the 276/277 and updating the existing companion guide for the 835 and 837. ADP expects to publish these guides in December 2006. ADP expects to have these transactions in operation by the NPI compliance deadline of May 23, 2007.

### 4. What is required of ADPs trading partners?

ADPs trading partners are required to update their 835 and 837 transactions by the NPI compliance date of May 23, 2007 and start submitting transactions that are fully HIPAA compliant. ADP's trading partners are not required to implement the 276/277 transactions. However, this transaction set can offer automated status information that could be beneficial to trading partners.



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**5. Will trading partners have to go through certification again?**

Existing trading partners will probably not need to re-certify for the 835 and 837 transactions. However, ADP will have a certification process in place after May 23, 2007 for the 276/277 transactions.

**6. After submitting a claim, how long should we wait before inquiring about it?**

A trading partner may submit a claim status request anytime after a claim is submitted. A trading partner may want to create requests for claim status based on the age of the claim (e.g. automatically 30, 60, or 90 days after submission).

**7. What status information will be provided for claims?**

ADP has developed status indicators for major processing steps and claim states. This information will be presented in the Companion Guide for the 276/277 transactions.

**8. If I send a claim with my DMC number (e.g. on May 7, 2007)... and check the status of that claim on June 1, 2007 (after the compliance deadline)... what provider identifier should I use... the DMC number or my NPI?**

After the compliance date, May 23, 2007, the four digit Drug Medi-Cal Number will no longer be allowed in transactions. The NPI will be the only health care provider identifier that can be used for identification, regardless of date of service.

ADP must have an NPI for a corresponding DMC Number on file no later than May 23, 2007 to accurately respond on an 835 or 277 transaction.

**9. What impact does NPI compliance have on claim processing?**

NPI compliance requires ADP to eliminate proprietary identifiers (e.g. DMC Number) as well as non-compliant adjudication and remittance information (e.g. Explanation of Balance - EOBs and Error Correction Reports - ECRs). As a result, ADP will be transitioning to an "Approve-Deny" model that eliminates "suspended" claims that are managed through the ECR process. This serves to simplify the claim process as well as the remittance advice process.

**10. Is ADP implementing a Void & Replace transaction like the one that DMH is implementing?**

ADP is currently not planning on implementing a Void and Replace transaction. One reason for this choice is that ADP uses a different financial management process and tool set versus those employed by DMH. Another reason for this choice is that the volume of transactions affected by this transaction is very small when compared to the volume in DMH. ADP is currently reviewing the Void and Replace transaction as a possible future transaction to be implemented after our HIPAA compliant transactions are implemented.



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## **11. How can a trading partner learn more about the 276/277 Health Care Claim Status Inquiry and Response Transaction?**

Visit the [Washington Publishing Company Web Site](#) for more information.

## **12. How will ADP obtain NPI's from Drug Medi-Cal providers?**

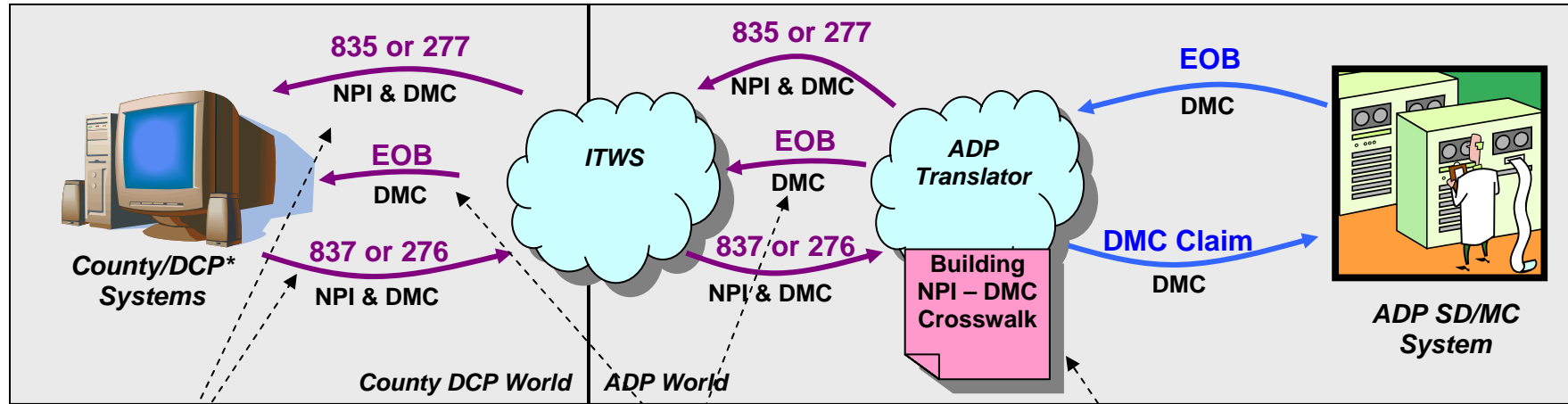
ADP is following the recommendation from national standards group WEDI (Workgroup for Electronic Data Interchange) for the transition from proprietary provider identifiers (e.g. the DMC Number) to the NPI standard provider identifier. As described below for a subsequent question, ADP will expect claims to contain both the DMC number and the NPI number during a "Transition Period".

Collecting both numbers allows ADP to create a "crosswalk" of DMC numbers to NPI numbers. This crosswalk is necessary to allow processing of claims by the current Short-Doyle Medi-Cal (SD/MC) claims adjudication system after the May 23, 2007 NPI compliance deadline.

The "transition" and "compliance" processes are outlined in the figure below.

# ADP NPI Implementation - Transition and Compliance

## NPI Transition Period (Before May 23 2007)

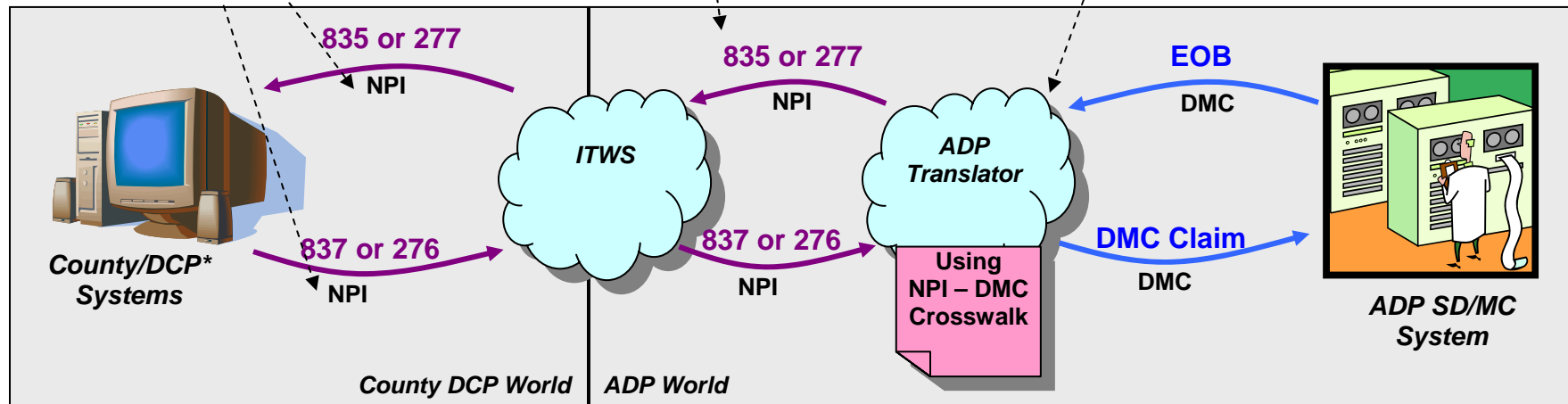


Use Both Identifiers before...  
and only NPI after  
the Compliance Date

Proprietary EOB  
Eliminated...  
835 Only

Build the Crosswalk,,,  
Then Use the Crosswalk after the  
compliance date... to translate for the  
"legacy" SD/MC system

## NPI Compliance Period (May 23, 2007 and onward)



\* DCP = Direct Contract Provider



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### **13. Will ADP be using the WEDI transition plan to collect NPIs for the Drug Medi-Cal Program?**

Yes, ADP will be utilizing the WEDI transition plan to collect NPIs. ADP's implementation involving acceptance and processing of transactions with the NPI will occur in separate stages. Those stages are:

***Phase 1 (May 23, 2005 – December 31, 2006)*** - Although NPI applications are accepted and NPIs issued, NPIs can not yet be submitted to Drug Medi-Cal as part of electronic HIPAA transactions.

***Phase 2 (January 1- May 22, 2007)*** - NPIs can be submitted in transactions sent to Drug Medi-Cal but will not yet be used in Drug Medi-Cal transaction processing.

***Phase 3 (May 23, 2007 and beyond)*** - NPIs must be submitted to Drug Medi-Cal on claim transactions, as well as included by ADP on outbound 835 transactions.

### **14. On or after May 23, 2007, if a provider has a claim with a date of service prior to that date, should a provider use their Medi-Cal provider number on that claim or their NPI?**

After the compliance date, May 23, 2007, the Drug Medi-Cal Number will no longer be used in transactions. The NPI will be the only health care provider identifier that can be used for identification, regardless of date of service.

### **15. Will the Explanation of Balance (EOB) reports include the NPI? Which loop will they read (e.g., Billing Provider, Pay-to Provider, Rendering Provider, etc.)?**

In order to comply with the Transactions and Code Sets Rule, ADP will be discontinuing the transmission of the EOB Report. The 835 transaction will be the sole remittance advice for reporting approved and denied claims. The NPI supplied at the 2010AA loop, Billing Provider, NM109 of the 837P will be reported in the 835 at the 1000B loop, Payee Identification, N104.